

**JULY 28, 2021**

**Directive 2021-14**

**TO: ALL PARTICIPATING LENDERS**

**SUBJECT: MONTGOMERY HOMEOWNERSHIP PROGRAM – PHASE VI**

The Maryland Mortgage Program and the Community Development Administration in collaboration with Montgomery County are pleased to announce that effective today Phase VI of the Montgomery Homeownership Program is open to accept reservations. Reservations will be accepted until the funds are fully committed; status will be posted weekly on the rate sheet and a flashing bulletin will be posted on Lender Online as the end of the program nears. The Montgomery Homeownership Program is designed to assist eligible homebuyers who purchase a home in Montgomery County by combining a Maryland Mortgage Program (MMP) first loan with a generous Down Payment Assistance (DPA) second loan.

**Highlights of the program are:**

- Montgomery Homeownership Program second lien will be a zero percent deferred DPA loan which becomes repayable upon refinance, transfer or sale of the home
- Maximum DPA loan will be 40% of total household income, up to a maximum of \$25,000.00
- DPA funds may be used for down payment and/or closing costs
- Partner Match Programs – No matching funds provided. External assistance (such as other partner funds that don't require a match) may be utilized as long as it meets insurer/investor/servicer guidelines
- Borrowers must meet all MMP and insurer/investor/servicer requirements Bond Series and New Program codes for the Montgomery Homeownership Program are listed in the updated program code guide located at the following link.

<https://mmp.maryland.gov/Lenders/Documents/CDAPROGRAMCODEGUIDE.pdf>

As always, we appreciate your continued participation in our programs.

If you have any questions concerning this Directive or suggestions for improvements, please email [singlefamilyhousing.dhcd@maryland.gov](mailto:singlefamilyhousing.dhcd@maryland.gov).

Sincerely,

*Karl Metzgar*

Karl Metzgar  
Assistant Director / Operations Manager  
Single Family Housing



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